

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 00514 130609Z

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 INT-05 GSA-02 L-03 FEA-01 ERDA-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01

H-02 INR-07 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02 PRS-01

/118 W

-----130614Z 025996 /12

R 130533Z JAN 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4702

UNCLAS TOKYO 0514

E.O. 11652: N/A

TAGS: EMIN, ENRG, JA

SUBJECT: RECIPROCITY PROVISIONS OF MINERAL LEASING ACT OF 1920

REF: A) STATE 313732 B) A-304, JUNE 26, 1975

1. SUMMARY. JAPANESE LAW PROHIBITS NON-JAPANESE FROM OWNING MINERAL RIGHTS IN JAPAN, EXCEPT AS PARTNERS IN JOINT VENTURES, WHICH ARE APPROVED ON A CASE-BY-CASE BASIS. END SUMMARY.

2. ARTICLE 17 OF THE MINING LAW OF JAPAN STIPULATES:

"NO ONE EXCEPT A JAPANESE PERSON, OR A JAPANESE JURIDICAL PERSON SHALL OWN MINING RIGHTS; UNLESS A TREATY PROVIDES OTHERWISE." THIS IS INTERPRETED TO ALLOW JAPAN-INCORPORATED JOINT VENTURES WITH FOREIGN CAPITAL TO OWN MINING RIGHTS, SUBJECT TO CASE-BY CASE APPROVAL IN ACCORDANCE WITH FOREIGN INVESTMENT LAW. THIS LAW REQUIRES APPROPRIATE MINISTRY APPROVAL OF FOREIGN ACQUISITION OF EQUITY IN A JAPANESE JURIDICAL PERSON AND RESTRICTS DEGREE OF FOREIGN PARTICIPATION, TO 50 PERCENT IN NEW VENTURES, AND TO 10 PERCENT PER INDIVIDUAL AND 15 PERCENT TOTAL PARTICIPATION IN EXISTING COMPANIES (FURTHER DETAILS ARE IN REF. B.)

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 00514 130609Z

3. AN OFFICIAL IN THE GENERAL COORDINATION DIVISION OF MITI'S AGENCY FOR NATURAL RESOURCES AND ENERGY HAS TOLD US THAT THE ONLY SPECIFIC APPLICATIONS FOR SUCH OWNERSHIP HAVE BEEN IN OFF-SHORE JAPAN OIL AND GAS ACTIVITIES. (OUR INFORMATION IS THAT THERE ARE SEVEN SUCH JOINT VENTURES, INVOLVING US AND UK CAPITAL.)

HE ADDED THAT THERE ARE NO FORMAL ARRANGEMENTS WITH ANY FOREIGN COUNTRIES COVERING RECIPROCAL TREATMENT OF FOREIGN OWNERSHIP OF MINING RIGHTS.

4. MINERALS COVERED BY THE MINING LAW ARE: GOLD, SILVER, COPPER, LEAD, BISMUTH, TIN, ANTIMONY, MERCURY, ZINC, IRON, SULPHIDE, CHROMITE, MANGANESE, TUNGSTEN, MOLYBDENUM, ARSENIC, NICKEL, COBALT, PHOSPHATE, GRAPHITE, COAL, LIGNITE, PETROLEUM, ASPHALT, INFLAMMABLE NATURAL GAS, SULPHUR, GYPSUM, BARITE, ALUNITE, FLUORSAPAR, ASBESTOS, LIMESTONE, DOLOMITE, SILICA STONE, FELDSPAR, TALC, FIRE CLAY, AND ALLUVIAL ORES. SODIUM (MINERAL SALTS) ARE NOT SUBJECT TO THE MINING LAW. NOR IS OIL SHALE, SINCE NONE EXISTS IN JAPAN.

5. EMBASSY ASSUMES THAT POSSIBILITY OF FOREIGN CAPITAL JOINING WITH LOCAL CAPITAL IN JOINT VENTURE PROVIDES BASIS FOR CONCLUSION THAT JAPAN IS AMONG COUNTRIES GRANTING RECIPROCITY UNDER THE MINERAL LEASING ACT OF 1920.

HODGSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO00514
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770012-1206
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770153/aaaabupm.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 470105da-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 313732
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3602448
Secure: OPEN
Status: NATIVE
Subject: RECIPROCITY PROVISIONS OF MINERAL LEASING ACT OF 1920
TAGS: EMIN, ENRG, JA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/470105da-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009